

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 313**

February 3, 2021

**SUMMARY OF BILL:** Requires landlords to provide rental applicants written notice of their tenant selection criteria and obtain a signed acknowledgement indicating the applicant has received notice of the criteria.

**ESTIMATED FISCAL IMPACT:**

**Increase Local Expenditures – Exceeds \$100,000/FY20-21\***

Assumptions:

- The proposed language:
  - Applies to rental applications entered into on or after July 1, 2021;
  - Authorizes landlords to include the acknowledgement as part of the rental application;
  - Creates a presumption that the landlord did not provide the tenant selection criteria if the landlord does not obtain a signed acknowledgement; and
  - Requires a landlord to return all fees and deposits paid by a rental applicant, if the landlord denies the rental application and failed to obtain a signed acknowledgment from the rental applicant.
- This analysis assumes:
  - The proposed language is applicable to public housing authorities;
  - Public housing authorities do not charge application fees; and
  - Public housing authorities will be required to update both paper and digital rental applications.
- There are approximately 86 public housing authorities statewide. While the extent of updates each public housing authority would require to comply with the provisions of the legislation is unknown, the total mandatory increase in local expenditures is estimated to exceed \$100,000. Such expenditures will occur in FY20-21 to accommodate the proposed changes for applications entered into on or after July 1, 2021.

**IMPACT TO COMMERCE:**

**Increase Business Expenditures – Exceeds \$500,000/FY20-21**

Assumptions:

- This analysis assumes:
  - Landlords will modify current rental applications or establish new forms to comply with the requirements of the proposed legislation in FY20-21 to prepare for rental agreements entered into on or after July 1, 2021; and
  - Landlords will obtain written acknowledgement of the tenant selection criteria to avoid the return of denied applicant's fees and deposits paid.
- While the total number of landlords statewide is unknown, it is reasonably estimated that costs associated with modifying current rental applications or establishing a new form to provide for written acknowledgement by applicants will result in a one-time increase in business expenditures estimated to exceed \$500,000 statewide, in FY20-21.

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive, flowing style.

Bojan Savic, Interim Executive Director

/jh